

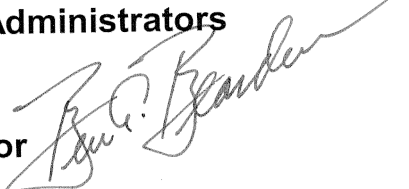


Kathleen Babineaux Blanco
GOVERNOR

STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS



TO: Nursing Home Administrators

FROM: Ben A. Bearden
Medicaid Director 

**RE: IMPORTANT INFORMATION REGARDING NURSING FACILITIES,
PURSUANT TO ACT NO. 7 OF THE FIRST EXTRAORDINARY SESSION
OF 2005.**

DATE: December 20, 2005

By memorandum dated November 22, 2005, nursing facilities were notified that the Department had waived certain provisions of the facility need review bed approval ("FNR") rules for Medicaid nursing home beds, allowing a facility which was displaced by Hurricanes Katrina or Rita to bill from the displaced location of the facility. Further, nursing facilities were notified that a facility would not be allowed to utilize its FNR bed approvals (and would therefore not be reimbursed for such bed approvals) "outside of its service area after December 31, 2005, or *such shorter time as may be provided for by state law.*"

Pursuant to Act No. 7 of the First Extraordinary Session of 2005, Louisiana Revised Statute 40:2116 has been amended. That statute now reads, in pertinent part, as follows:

J.(2) Nothing in this Subsection shall be construed to accomplish either of the following:

(a) To permit a nursing home which has relocated, as the result of an executive order or declaration of emergency or disaster issued in accordance with R.S. 29:724, to relocate such facility outside of the geographic area for which the original facility need review approval was granted.

* * * * *

Act No. 7 was signed into law by Governor Blanco, effective November 23, 2005. As such, pursuant to the newly enacted state law, a facility is prohibited from utilizing its FNR bed approvals (and therefore will not receive reimbursement for such bed approvals) outside of its service area effective November 23, 2005.